

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00

FMC-01 INR-07 NSAE-00 CG-00 OFA-01 DLOS-04 PM-04 H-02

L-03 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-11

FEA-01 ERDA-05 AID-05 CEA-01 CIEP-01 FPC-01 INT-05

OMB-01 SAM-01 OES-03 STR-04 TRSE-00 LAB-04 SIL-01

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R 131212Z JAN 76

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 6526

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY OSLO

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E.O. 11652: N/A

TAGS: ETRN, ETRD, SW

SUBJECT: INTERNATIONAL TRANSPORT WORKERS FEDERATION (ITF)

AND FLAGS OF CONVENIENCE VESSELS

REF: STATE 2816, 75 STOCKHOLM 5740

1. BEGIN SUMMARY. EMBASSY HAS REVIEWED REQUEST OF
FEDERATION OF AMERICAN CONTROLLED SHIPPING (FACS) FOR FORUM TO
DISCUSS IN ON-THE-RECORD BASIS INTER-RELATIONSHIP BETWEEN SUB-
STANDARD VESSELS AND FLAGS OF CONVENIENCE. SWEDISH SHIPOWNERS
ASSOCIATION WOULD CONSIDER ARRANGING FORUM. FACS SHOULD ADDRESS
REQUEST TO DR. NILS GRENANDER, MANAGING-DIRECTOR, SWEDISH
SHIPOWNERS ASSOCIATION, JUNGSPORTSAVENYU 1, GOTEBOG, SWEDEN.
EMBASSY HOWEVER HAS RESERVATIONS ON USEFULNESS, IF NOT COUNTER-
PRODUCTIVE NATURE, OF RAISING SUBJECT FOR PRESS ATTENTION AT
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THIS TIME. RATIONALE FOR OUR VIEWS FOLLOW. END SUMMARY.

2. MANAGING DIRECTOR JOHN AMBLER OF TEXACO OIL AB, THE AMERICAN PETROLEUM FIRM MOST DIRECTLY AFFECTED BY FLAGS OF CONVENIENCE ISSUE, MADE FOLLOWING OBSERVATIONS: TEXACO HAS BEEN ABLE TO OBTAIN ENTRY OF ITS TANKERS INTO SWEDEN WITHOUT BOYCOTT ACTION BY PROVIDING INFORMATION TO SWEDISH TRANSPORT-WORKERS UNION DEMONSTRATING HIS FLAGS OF CONVENIENCE VESSELS MEET WAGE AND OTHER STANDARDS OF INTERNATIONAL TRANSPORTWORKERS FEDERATION (ITF), AND WITHOUT PAYING SPECIAL FEES IN CASES WHERE CREW MEMBERS ARE NOT MEMBERS OF ITF; PRESS PUBLICITY RESULTING FROM TALK BEFORE A PUBLIC FORUM BY FACS REPRESENTATIVE COULD GENERATE SITUATION, DEPENDING ON HOW PRESS HANDLES QUESTION, ADVERSE TO IMAGE OF TEXACO AND OTHER AMERICAN MULTINATIONAL FIRMS; AND, ACCORDING TO HIM, "ROCKING THE BOAT" AT THIS TIME ON A SORE ISSUE WOULD NOT BE HELPFUL. ON CONFIDENTIAL BASIS, AMBLER SAID HE HAD RECOMMENDED TO HIS HOME OFFICE THAT, TO EXTENT APPROPRIATE AND POSSIBLE, TEXACO SHOULD DISCOURAGE FACS FROM TAKING BOYCOTT ISSUE TO COURT IN SWEDEN.

3. GRENANDER OF SWEDISH SHIPOWNERS ASSN. INFORMED EMBASSY OFFICER HIS MEMBERS WERE FULLY AWARE THAT FLAGS OF CONVENIENCE VESSELS REGISTERED IN LIBERIA AND PANAMA MEET OR ARE ABOVE ITF STANDARDS. HE SUGGESTED THAT ISSUE WAS NOT A PROBLEM FOR SWEDEN; QUESTION WAS MORE OF WHAT SCANDINAVIAN BOYCOTT ACTION WILL MEAN TO NORWAY AND DENMARK IN MAY. FLAGS OF CONVENIENCE VESSELS, WHERE THERE HAVE BEEN PROBLEMS, HAVE BEEN THOSE REGISTERED IN AFRICAN AREAS, E. G. SOMALIA, WHERE SUB-STANDARD CONDITIONS EXISTS. HE SAID FURTHER THAT ISSUE OF FLAGS OF CONVENIENCE VESSELS WOULD BE RAISED AT INTERNATIONAL SHIPPING FEDERATION MEETING TAKING PLACE IN BOMBAY, BEGINNING IN MID-JANUARY. THIS WAS MORE APPROPRIATE FORUM TO RAISE THIS MATTER. NEVERTHELESS, HE AGREED TO ENTERTAIN REQUEST FOR OPPORTUNITY FOR FACS REPRESENTATIVE TO TALK BEFORE HIS GROUP. HE NOTED HOWEVER THAT HIS MEMBERS ARE FULLY AWARE OF DISCUSSIONS THAT HAVE BEEN TAKING PLACE IN IMCO AND ELSEWHERE. HIS REACTION TO GENERAL PROPOSITION WAS THAT "IT COULDN'T HURT ANY", ALTHOUGH THERE WAS NOT MUCH TO BE GAINED.

4. ON JAN 11, AFTONBLADET AND SYDIVENSKA DAGBLADET CARRIED ITEM STATING THAT FACS OFFICIAL, PHILIP LOREE IS EXPECTING TO LIMITED OFFICIAL USE

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COME TO SWEDEN IN MARCH TO TALK TO CLAES PALME (BROTHER OF PRIME MINISTER) TO DISCUSS POSSIBLE COURT ACTION ON BOYCOTT. EMBOFF LEARNED FROM CLAES PALME THAT FACS HAS NOT BEEN IN TOUCH WITH HIM. NEWS STORY REPORTEDLY EMANATED FROM CONTACTS BETWEEN SWEDISH JOURNALIST AND EUGENE YOURCHS OF FACS. PALME SAID HE WAS NOT SURE WHETHER A COURT CASE FAVORABLE TO FACS INTEREST COULD BE ANTICIPATED AND ADDED FURTHER THAT HE WOULD BE VERY BUSY IN MARCH. IN ANY CASE, HE SAID SWEDISH SHIPOWNERS ARE

WELL AWARE OF FLAGS OF CONVENIENCE QUESTIONS; IT IS ONLY PUBLIC THAT IS NOT FULLY AWARE AND, IN THIS CASE, THERE WAS DANGER OF PRESS USING ISSUE FOR ITS OWN PURPOSE.

5. EMBASSY COMMENT. WE BELIEVE THAT DISCUSSIONS IN OPEN FORUM OF MERITS OF FLAGS OF CONVENIENCE VESSELS ARE NOT WARRANTED AT THIS TIME; RATHER, IT SHOULD BE RESERVED TO A TIME WHEN BOYCOTT QUESTION CREATES PUBLIC ISSUE IN SWEDEN, UNLESS FACS IS PLANNING TO TAKE THIS MATTER TO A SWEDISH COURT. LEGAL PART OF

TEXACO OIL AB HAS CONSULTED WITH ACADEMIC EXPERTS AND AMBLER HAS SAID THAT, LEAVING ASIDE MERITS ON A MORAL GROUND, CHANCES FOR SUCCESS APPEAR POOR. WE CONCLUDE THEREFORE THAT TIME IS NOT PROPITIOUS FOR FACS REPRESENTATIVE TO SPEAK BEFORE A FORUM. PRIVATE DISCUSSIONS WITH GRENANDER, WHO WILL ATTEND BOMBAY MEETING, AND WITH SELECTED SWEDISH SHIPOWNERS MAY HOWEVER BE USEFUL AND EMBASSY WOULD RECOMMEND THAT FACS REPRESENTATIVE CONSIDER THIS COURSE OF ACTION.
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